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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTRACT FOR THE SALE OF MINERAL MATERIALS

RECEIVED
JUN 06 2006
DIV. OF OIL, GAS & MINING
FORM APPROVED
OMB NO. 1004-0103
Expires: October 31, 2002

Office

Salt Lake

Contract Number

U-75748

The UNITED STATES OF AMERICA acting through the Bureau of Land Management and you, the purchaser, make this AGREEMENT, under the authority of the Act of July 31, 1947 (61 Stat. 681), as amended (30 U.S.C. 601 through 604), and the regulations at 43 CFR, Group 3600.

We agree: **Castle Rock Manufacturing and Nielson Construction**

Sec. 1. *Contract area* - Under the terms and conditions of this contract, the United States sells to you and you buy the mineral materials listed in Section 2 and contained in the following lands as shown on the map and mining plan attached to this contract:

COUNTY	STATE	TOWNSHIP	RANGE	SECTION	ALIQUOT PARTS	MERIDIAN	ACREAGE
Utah	Utah	11 South	9 East	33	N1/2NW1/4SE1/4 SE1/4	SLB&M	5

Pit Name (if any):

Kyune Community Pit

Sec. 2. *Amount and price of materials* - The United States determines the total purchase price by multiplying the total quantity of each kind of mineral material designated by the unit price given below, or as changed through reappraisal.

KIND OF MATERIALS	QUANTITY (Units Specified)	PRICE PER UNIT	TOTAL PRICE
Limestone	1,500 Tons	\$0.53	\$795.00
TOTAL			\$795.00

BLM's determination of the amount of materials that you have taken under the contract is binding on you. You may appeal this determination as provided in Sec. 16.

You are liable for the total purchase price, even if the quantity of materials you ultimately extract is less than the amount shown above. You may not mine more than the quantity of materials shown in the contract.

Sec. 3. *Payments, title, and reappraisals* - You receive title to the mineral materials only after you have paid for them and extracted them. You may not extract the materials until you have paid in advance for them either: ☒ in full, or ☐ in installments of \$ _____ each.

☒ If you pay in full in advance, BLM will check this box, and subsections 3(a) through 3(c) do not apply to your contract. You must pay in full for all sales of \$2,000 or less.

(a) If you pay in installments, you must pay the first installment before BLM approves the contract, and you must pay the second installment before beginning to extract the minerals.

(b) Your next installment payment becomes due when the value of the materials you extract is equal to the amount of the second and any later installments you have already paid.

(c) The United States will retain the first installment as security for your full and faithful performance and will apply it to the last installment required to make the total payment equal to the total price given in section 2.

The total purchase price equals the sum of the total quantities removed, multiplied by their respective unit prices. The balance due when less than a full installment remains to be paid is the value of the material remaining under this contract. You must pay the total purchase price not later than 60 days before the contract expires.

If you are late making an installment payment, you must not remove any more material until you have paid. Removing material you have not paid for is trespass, and for trespass you must pay at triple the appraised unit price, or at triple the reappraised unit price if BLM has made a reappraisal. To resume removal operations after you were late making payments, you must obtain BLM's written approval.

Sec. 4. *Risk of loss* - You assume complete risk of loss for all materials to which you have title. If material covered by this contract is damaged or destroyed before title passes, you are liable for all loss suffered if you or your agents are directly or indirectly responsible for the damages. If you are not responsible for the damage or destruction, you are liable only to the extent that the loss was caused by your failure to remove the material under the terms of this contract. You are still liable for breach of contract or any wrongful or negligent act.

Sec. 5. *Responsibility for damage to materials not sold to you* - You are responsible for loss or damage to materials not sold whether you are directly or indirectly responsible. You are also responsible for not performing under the contract according to BLM's instructions. If the United States incurs any costs resulting from your breach of any contract terms or from your failure to use proper conservation practices, you are responsible. If the damage resulted from willful or gross negligence, you are liable for triple the appraised value of the damaged or destroyed materials. If the damage or destruction did not result from willful or gross negligence, you are liable for lesser charges, but not less than the appraised value of the materials.

Sec. 6. *Stipulations and reserved terms* - Your rights are subject to the regulations at 43 CFR Group 3600 and to any stipulations and the mining plan attached to this contract.

☒ BLM will check this box if there are stipulations attached to this contract.

(Continued on reverse)

Sec. 7. *Notice of operations* - You must notify BLM immediately when you begin and end operations under this contract.

Sec. 8. *Bonds* - (a) You must furnish BLM with a bond in the amount of \$ 4,148.60 as a condition of issuing this contract.

(b) If you do not perform all terms of the contract, BLM will deduct an amount equal to the damages from the face amount of the bond. If the damages exceed the amount of the bond, you are liable for the excess. BLM will cancel the bond or return the cash or U.S. bonds you supplied when you have completed performance under this contract.

(c) BLM will require a new bond when it finds any bond you furnish under this contract to be unsatisfactory.

Sec. 9. *Assignments* - You may not assign this contract without BLM's written approval.

Sec. 10. *Expiration of contract* - This contract will expire 1 years, 0 months, 0 days from its approval date, unless BLM extends the term.

Sec. 11. *Violations, suspensions and cancellations*. (a) If you violate any provisions of this contract, BLM may suspend your operations after giving you written notice. You may continue only operations necessary to remedy the violation.

If you fail to remedy the violations within 30 days after you receive the suspension notice, BLM may cancel the contract and recover all damages suffered by the United States, including applying any advance payments you made under this contract toward the payment of the damages. If this occurs, BLM will notify you in writing.

(b) If you extract any mineral materials sold under this contract during the suspension period, or after the contract has expired or been canceled, you have committed willful trespass and are liable for triple damages.

Sec. 12. *Responsibility for damages suffered or costs incurred by the United States*. If you, your contractors, subcontractors or employees breach this contract or commit any wrongful or negligent act, you are liable for any resulting damages suffered or costs incurred by the United States. You must pay the United States within 30 days after receiving a written demand from BLM.

Sec. 13. *Extensions of time*. BLM may grant you an extension of time in which to comply with contract provisions if you apply in writing no less than 30 or more than 90 days before your contract expires. The conditions for BLM's granting the extension of time are found in the regulations at 43 CFR 3610.1-7.

Sec. 14. *Time for removing personal property*. You have 30 days from the date this contract expires to remove your equipment, improvements, and other personal property from United States lands or rights-of-way. You should not remove any improvements to United States roads, such as paving, culverts, or bridges, which have become a permanent part of the road. BLM may grant no more than 90 days to allow you to remove your personal property. Any property remaining after this period ends becomes the property of the United States, but you will remain liable for the cost of removing it and restoring the site.

Sec. 15. *Equal opportunity clause* - The actions you take in hiring must comply with the provisions of Executive Order No. 11246 of Sept. 24, 1965, as amended, which describe the non-discrimination clauses. You may get a copy of this order from BLM.

Sec. 16. *Appeal* - You may appeal any decision that BLM makes in regard to this contract under parts 4 and 1840 of the Title 43 of the Code of Federal Regulations.

The following parties have executed this contract as of:

PURCHASER

THE UNITED STATES OF AMERICA

Castle Rock Mfg. and Nielson Construction

(Individual or Firm Name)

P.O. Box 957 825 N. Loop Rd.

Price, UT 84501 Huntington, UT 84528

(Address)

(435) 749-0225 (435) 687-2494

(Phone Number - include area code)

By

Michael F. Smith
(Authorized Officer)

acting Asst. Field Office Mgr., Non-Renewable
(Title)

June 2, 2006
(Date)

Stephen Powell
(Signature)
Wayne F. Johnson
(Signature)

If you are a corporation, affix corporate seal here:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly or willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction, subject to a fine of up to \$10,000 and imprisonment up to 5 years.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-et seq.) requires us to inform you that:

BLM is collecting this information to process your application and effect a binding contract.

BLM will use this information to identify and communicate with applicants.

You must respond to this request to get a benefit.

A federal agency may not conduct or sponsor, and you are not required to respond to, an information collection which does not have a currently valid OMB control number.

AUTHORITY: 30 U.S.C. 601 et seq.; 43 CFR 3600

PRINCIPAL PURPOSE: BLM uses this information to identify the parties entering into contracts for disposing of mineral materials.

ROUTINE USES: BLM will transfer information from the record or the record itself to appropriate federal, state, local, or foreign agencies, when relevant to criminal, civil, or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: If you do not provide this information to BLM, we will not be able to process your application for a contract.

BLM estimates the public reporting burden for this form at an average of 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (1004-0103), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

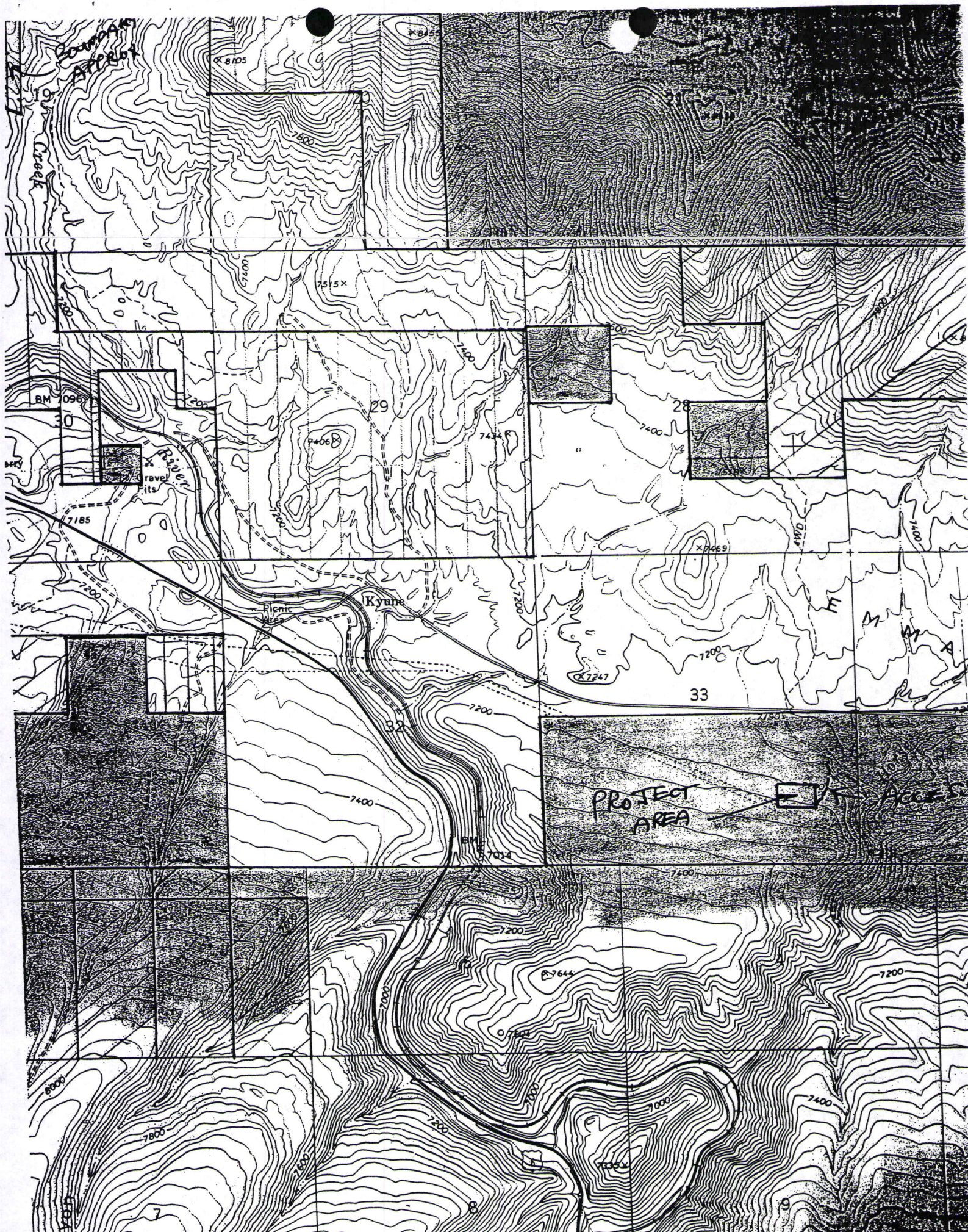


EXHIBIT "B"
KYUNE COMMUNITY PIT STIPULATIONS

1. To reduce surface/vegetation disturbance, access to and from the proposed extraction site(s) shall be confined to existing routes of travel and the proposed cross-country route. No other routes of travel are authorized.
2. There will be no change from the proposed activities and/or workover plan without prior approval from the Assistant Field Office Manager, Non-Renewable Resources.
3. All vehicles shall stay within the designated work areas. Overnight parking and storage of equipment/materials shall be confined to these areas.
4. The proponent shall disturb only the minimum amount of vegetative or soil material consistent with practical extraction operations.
5. The proponent shall maintain the site free of trash and refuse during operations and at the termination of project activities.
6. The operator is not authorized to conduct operations of any type outside of the existing pit boundary, except reclamation of the existing surface disturbance.
7. At the termination of mineral extraction operations, the pit area must be graded so that the finished surface blends with the line and form of the surrounding topography. The access road must be ripped along its entire length. The stockpiled topsoil will then be spread evenly over the surface of the pit and along the length of the access road and left in a "roughed-up" condition to enhance the ability of the soil to capture and retain moisture. To ensure adequate revegetation success, the reclamation bond shall not be released for a period of one to two years after reclamation has been completed. To help deter off-highway vehicle traffic while re-establishing vegetation in the reclaimed project areas, markers or signs shall be placed around the perimeter of the reclaimed sites.
8. Any contaminated soil from potential petro-chemical spills shall be hauled away and disposed of in an authorized landfill or disposal area, not on Public Land.
9. The operator is required to reseed all areas where vegetation has been destroyed by vehicular or mining activities using the following Salt Lake Field Office Recommended Seed Mixture:

<u>Species</u>	<u>Lbs/Acre</u>
Sandberg bluegrass	1.5
Mountain brome	1.5
Bluebunch wheatgrass	1.5

<u>Species (cont.)</u>	<u>Lbs/Acre</u>
Western wheatgrass	1.5
Slender wheatgrass	1.5
Letterman needlegrass	1.5
Common yarrow	0.5
Arrowleaf balsamroot	0.5
Rocky Mountain penstemon	0.5
Lewis flax	0.5
Golden currant	1.0
Saskatoon serviceberry	1.0
True mountain magogany	1.0
Curl leaf mountain mahogany	1.0
Antelope bitterbrush	1.0
Snowberry	0.5
Mountain big sagebrush	<u>0.5</u>

17.0 pounds/acre **(PLS)

Please be aware that the optimum period of time for successful revegetation is between October 15 and November 30, each year.

****Pure Live Seed**

10. If cultural or paleontological resources are discovered during the course of operations, all work at the point of discovery will cease and the Assistant Field Office Manager, Non-Renewable Resources (or geologist) will be notified.
11. The operator must notify the Assistant Field Office Manager, Non-Renewable Resources (or geologist) when the contracted amount of material has been removed.
12. The operator is required to provide written notification to the BLM within 30 days of completion of operations and reclamation of the project site.
13. To prevent the importation of noxious weeds into the project area, the operator shall clean and inspect vehicles and equipment before entering the Community Pit site.
14. The operator must comply with all County, State and Federal standards and regulations during the course of operations.
15. Powerline rights-of-ways U-1313 and U-019418, located in the S½ of Section 33, shall be avoided during the course of mining activities.
16. To control fugitive dust, the operator is required to water the access road and pit area

during active operations.

17. The operator is required to submit a biannual report (twice yearly) stating the quantity of material removed from the project area, even if no material has been removed during that time period.
18. Before the operator is authorized to upgrade the access road by crowning, ditching or placing gravel on the road bed, a right-of-way must be obtained from the BLM. No improvements to the access road are otherwise authorized.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BOND UNDER CONTRACT FOR
MINERAL MATERIAL DEPOSIT
July 31, 1947 (30 U.S.C. 601 et. Seq.)

Contract Number U-75748
Bond Number 965005703

KNOW ALL MEN BY THESE PRESENTS, That Castle Rock Manufacturing and Nielson Construction

of Huntington, Utah, as principal:

and Liberty Mutual Insurance Company

of Boston, Massachusetts, as surety,

are held and firmly bound unto the United States in the sum of Four Thousand One Hundred Forty Eight Dollars and 60/100 dollars (\$4,148.60), lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The conditions of this obligation are such, that whereas the said principal entered into a contract for the deposits therein and upon conditions therein expressed, which contract bears the above contract number.

NOW, THEREFORE, if the said principal, his heirs, executors, administrators, or successors, shall faithfully carry out the obligations and observe the requirements of said contract and shall duly keep, perform, and abide by each and every term and provision of said contract as therein stipulated and agreed, then this obligation shall be null and void; otherwise to remain in full force and effect.

Executed this 11th day of May, 2006.

Castle Rock Manufacturing and Nielson Construction
Principal

By _____ Title

825 North Loop Road Huntington, Utah 84528
Business Address

Liberty Mutual Insurance Company
Surety

Stephanie Garahana
Attorney-in-Fact Stephanie Garahana

6360 South 3000 East, Suite 205 Salt Lake City, Utah 84121
Business Address

RECEIVED
JUN 06 2006
DIV. OF OIL, GAS & MINING

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS:

That Liberty Mutual Insurance Company (the "Company"), a Massachusetts stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint, **JEFFERY G. SHIELDS, W. SCOTT SHIELDS, E. HARRY BOLEY, GUYANNE L. HANSEN, KEVIN W. ANDREWS, STEPHANIE GARAHANA, VICKI SORENSEN, JACE PEARSON, ALL OF THE CITY OF SALT LAKE CITY, STATE OF UTAH**.....

....., each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding EIGHTY MILLION*****DOLLARS (\$80,000,000.00*****) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XIII, Section 5 of the By-laws, Garnet W. Elliott, Assistant Secretary of Liberty Mutual Insurance Company, is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 11th day of MAY, 2006.

LIBERTY MUTUAL INSURANCE COMPANY

By Garnet W. Elliott
Garnet W. Elliott, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 11th day of MAY, 2006, before me, a Notary Public, personally came Garnet W. Elliott, to me known, and acknowledged that he is an Assistant Secretary of Liberty Mutual Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Liberty Mutual Insurance Company thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires Mar. 28, 2009

Member Pennsylvania Association of Notaries

By Teresa Pastella
Teresa Pastella, Notary Public

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-800-899-9740 between 9:00 am and 4:30 pm EST on any business day.